

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: July 1, 2016

Subject: July 7, 2016, MPT Subcommittee Hearing Entitled “The Implications of U.S. Aircraft Sales to Iran”

The Monetary Policy and Trade Subcommittee will hold a hearing entitled “The Implications of U.S. Aircraft Sales to Iran” at 10:00 a.m. on Thursday, July 7, 2016, in Room 2128 of the Rayburn House Office Building. This will be a one-panel hearing with the following invited witnesses:

- Mark Dubowitz, Executive Director, Foundation for Defense of Democracies; and
- Eric Lorber, Senior Associate, Financial Integrity Network

Any additional witnesses will be announced subject to Committee Rule 3(d).

Under the Joint Comprehensive Plan of Action (JCPOA), the Obama Administration has agreed to authorize aircraft exports to the Islamic Republic of Iran. On March 24, 2016, the Treasury Department’s Office of Foreign Assets Control (OFAC) issued a general license permitting Boeing to begin negotiations with Iran. On June 21, Boeing announced it had reached a tentative sales agreement with Iran Air, the country’s flagship state-owned carrier. Deliveries are contingent on an additional OFAC license authorizing the sale; such a license may also authorize financing that is “incident to” the transaction.

This hearing will examine how aircraft exports to Iran may be financed, the ramifications of such financing for U.S. efforts to combat money laundering and terrorism, and Iran’s use of civilian aircraft for military purposes. In addition, the hearing will include discussion of matters related to the following legislative proposals:

H.R.____: To prohibit the Secretary of the Treasury from authorizing certain transactions by a U.S. financial institution in connection with the export or re-export of a commercial passenger aircraft to the Islamic Republic of Iran

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H.R. ____: To prohibit the Secretary of the Treasury from issuing certain licenses in connection with the export or re-export of a commercial passenger aircraft to the Islamic Republic of Iran

H.R. 5608: “No Ex-Im Financing for Iran Act,” sponsored by Congressman Peter Roskam of Illinois